1987 NEWS RELEASES

8700	HODEL ANNOUNCES PROPOSED FY 1988 BUDGET FOR INTERIOR	01-05-87
8701	BUREAU OF INDIAN AFFAIRS 1988 BUDGET REQUEST IS \$985 MILLION	01-08-87
8702	SWIMMER CARRIES 1988 BUDGET MESSAGE TO NEW MEXICO, ARIZONA	01-21-87
8703	ASSISTANT SECRETARY SWIMMER ISSUES INFORMATION ON CONTRACT FOR TRUST FUND SERVICES	02-18-87
8704	BIA TO REOPEN COMPETITION FOR TRUST FUND MANAGE- MENT SERVICES	03-13-87
8705	BIA-FUNDED BUSINESS OPPORTUNITY CENTERS CREATE JOBS	03-20-87
8706	INDIANS INVITED TO MAKE NOMINATIONS FOR INSTITUTE OF AMERICAN INDIAN AND ALASKA NATIVE CULTURE AND ARTS DEVELOPMENT BOARD OF DIRECTORS	03-23-87
870₹	INTERIOR, HHS SECRETARIES SIGN AGREEMENT TO ADDRESS INDIAN ALCOHOL AND SUBSTANCE ABUSE	04-01-87
8708	BIA FORWARDS TOHONO O'ODHAM DROUGHT RELIEF REQUEST TO AGRICULTURE DEPARTMENT	08-12-87
8709	SECRETARY HODEL CALLS FOR UNIFIED EFFORT TO IMPROVE FEDERAL PROGRAMS SERVING INDIAN TRIBES	10-27-87
8710	SWIMMER TELLS SENATOR MCCLURE OPTIONS TO BE EXAMINED ON MOVE OF BIA OFFICE	11-5-87



DEPARTMENT of the INTERIOR news release

OFFICE OF THE SECRETARY

Release January 5, 1987

Alan Levitt 202/343-6416

HODEL ANNOUNCES PROPOSED FY 1988 BUDGET FOR INTERIOR

Secretary of the Interior Don Hodel today announced an FY 1988 budget "supports the President's goals of providing a better quality life through a stronger, more productive America

"We have made decisions in the budget that emphasize our goal of maintaining or improving the multitude of Interior agency facilities and services used by the public while continuing to meet the budget limitations and the Gramm-Rudman-Hollings Act.

"Interior's budget focuses on the protection of our existing resources," Hodel said. "Continued emphasis is given to operation of national parks and to development of energy and mineral resources. Among the several management efficiencies proposed in the budget are major efforts to strengthen enforcement of the surface mining laws, to improve oversight of the Department's revenue collection and regulatory activities, and to provide ready access by the public to our land and mineral records through automation. The budget also highlights significant new initiatives for American Indians and for the completion of water resource projects."

The FY 1988 budget totals \$6.3 billion, \$1 million less than the current 1987 estimate, and is consistent with this Administration's past budget priorities. To help meet the government-wide Gramm-Rudman-Hollings target for FY 1988 and bring FY 1987 more in line with FY 1986 and the proposed FY 1988 activities, \$303 million in rescissions are proposed in FY 1987.

"National parks, recreation areas and other public lands, which will host over 465 million visitors this year, will have operating levels at or above current funding estimates," Hodel said. "The high quality visitor experience which Americans have come to expect will not be allowed to diminish. Many areas actually will see significant improvement. No national parks, wildlife refuges, fish hatcheries, recreation areas or historic sites will be closed or have their operating hours reduced." Legislation was a seed in FY 1987 which permitted a one-time increase in park entrance fees and permanent increases in wildlife refuges fees. These in turn allowed increases for operations and maintenance. Permanent authorizing legislation is being proposed for FY 1988 to increase or institute modest entry fees at

generated wil result in an overall increase in funds for park operations

Within an overall funding increase for construction of water resource projects by the Bureau of Reclamation, the Administration is proposing that budget resources be focused on completing projects substantially underway or on meeting more critical needs, such as safety of dams. Conversely, funding is limited or postponed for some projects in the early stages of construction. No projects are being abandoned.

"Over the years, there has been a tendency to continue work on more projects than the limited funding would properly support in any single year. This has resulted in construction delays and stretched-out completion dates, making these projects more costly in the long run and inordinately delaying the important benefits they can provide," Hodel said. "This Administration * has attempted to provide adequate funding to maintain efficient and cost-effective completion schedules on as many projects as possible and stay within the deficit reduction goals. In FY 1988, funding again will not be sufficient to maintain all projects on schedule, notwithstanding a \$98 million increase over the FY 1987 construction level. Consequently, we propose to fund construction projects selectively to complete them on a more efficient schedule and deliver on their promised benefits. We will allocate a larger share of total resources to some projects in order to maintain or accelerate completion dates. Construction funding for others will be correspondingly postponed.

We also are postponing planning studies for projects which have litt chance to receive construction funding in the foreseeable future. In lavears, as funds become available, funding will be applied to resume efficient construction on postponed projects and to renew worthwhile planning studies which have been delayed."

As part of an Administration initiative, revenue of \$154 million is estimated from the sale of Bureau of Reclamation loans in FY The loans to be sold to the private sector include completed loans to irrigation districts and other public agencies for construction of distribution systems on authorized federal reclamation projects and to non-federal agencies for construction of small water resource projects. Another asset proposed for sale is the government's helium refining and distribution facilities operated by the Bureau of Mines in Amarillo, Texas; Satanta, Kansas; and Keyes, Oklahoma. Legislation which authorized federal helium refining and distribution facilities was intended to ensure that federal agency needs for this lightweight gas were met. Today, the United States has a sizable helium industry that has this capability. government's helium inventory will be retained for federal agency use and the Bureau will retain its helium resource assessment activities. from the sale is estimated to be \$50 million.

Although there will be no budget impact in FY 1988, the Bureau of Indian Affairs (BIA) will undertake a series of initiatives to provide incentives and opportunities for self-improvement of both tribes and individuals. Assistant Secretary Ross Swimmer will undertake four major initiatives, including: localizing education decisions and policies to promote greater association with local public education systems; promotitibal and individual incentives for welfare reform, such as education and

bs; stimulating economic development through increased job training and avestment opportunities, and; seeking to control drug and alcohol abuse through emphasis on motivation and rehabilitation. "Our ultimate goal is to continue to support self-determination and Indian cultural values while the BIA moves from the role of a 'provider' to one of an 'enabler,'" Hodel said.

Funds for the Dingell-Johnson Federal Aid in Fish Restoration Act will increase dramatically, primarily because of revised estimates of motor boat fuel taxes. For FY 1988, the increase will be \$33 million, to a level of \$174 million or 457 percent of the FY 1985 level. "The increase in program resonsibilities is not supportable in view of the amount of the increase in just three years since FY 85, particularly when compared to maintenance or modest increases in surrounding programs," Hodel said. The budget calls for a one-time transfer of \$25 million of this additional new money into the U.S. Fish and Wildlife Service's basic operating account for program responsibilities related to wildlife and fisheries. The transfer will still allow a substantial increase in funds to states for sport fishery restoration.

Included in the budget is an increase for additional park police and improved facilities and equipment for enforcement personnel. Continued high priority also is given for the investigation and research of environmental contaminants and their impact on wildlife and water resoures.

While funds will be available in FY 1988 for the acquisition of etlands, other land acquisition funding would be limited to emergency situations. Also consistent with past budgets proposed by this Administration, reduced construction expenditures are proposed for parks, wildlife refuges and Indian reservations although funding is included for high priority dam safety projects. No funds are requested for state grants for recreation and historic preservation programs, endangered species, and anadromous fish.

The budget proposes that the costs of administering federal mineral leasing programs be shared equally with the states before receipt payments are made to them. "The philosophy of sharing with the states is sound, but placing the entire cost of collection on one party, the federal government, is not," Hodel said. Under current law, states receive 50 percent (Alaska - 90 percent) of all receipts derived from minerals on public lands without incurring any of the costs of producing these receipts. Full funding is proposed in the Bureau of Land Management for payments in lieu of taxes to states and counties.

The Interior Department is one of the federal government's largest producers of revenue. Total receipts in FY 1988 are estimated to be \$6.5 billion, of which \$3.09 billion will come from mineral leasing on the Outer Continental Shelf and \$1.05 billion from mineral leasing onshore.

PRESS CONTACTS FOR FURTHER INFORMATION REGARDING INTERIOR'S FY 1988 BUDGET (Area codes need not be used from Washington, D.C., unless indicated below)

AGENCY	NAME OF CONTACT	OFFICE PHONE	HOME PHONE
Office of Budget, Department of the Interior	Anthony Itteilag	343-5308	589-7532
	Bob Lamb	343-4965	229-6924
	Mary Ann Khalatbari	343-8077	384-6663
Bureau of Land	Roger Hildebeidel	343-3516	451-3380
Management	Navid Vickery	343-4151	437-8541
Minerals Management	Ted Saunders	648-7857	938-5484
Service	Marcia Heimberger	343-3983	441-4607
Office of Surface	J. P. Crumrine	343-4926	686-4131
Mining	Larry Finfer	343-4928	554-1343
Bureau of Reclamation	J. Austin Burke	343-4690	437-5022
	Jess Pepple	343-4690	860-2530
Geological Survey	Bette Goodrich	648-4437	703/689-3665
	Donovan Kelly	648-4460	703/338-4044
Bureau of Mines	Jim Donahue	634-1325	871-3303
	Bob Swenarton	634-1001	946-3491
Fish and Wildlife	Jim Leupold	343-2444	525-1438
Service	David Klinger	343-5634	703/882-3192
Nationa Park Service	C. Bruce Sheaffer	343-4566	321-9266
	George Berklacy	343-7394	250-6503
Bureau of Indian	Tom Stangl	343-1181	437-6148
Affairs	Carl Shaw	343-4576	546-6107
Office of Territorial and International Affairs	David Heggestad	343-6971	978-6949
	Larry Morgan	343-3003	649-6267



The request for the Bureau's Loan Program in 1988 is \$28.8 million, a decrease of \$8.7 million from the current 1987 estimate. The budget request for loans has been decreased to provide additional resources for projects substantially underway in the Construction Program. The Administration also proposes to sell the existing loan portfolio of this program as part of its government-wide asset sales initative. Revenue from this sale, estimated to be \$154 million, will help meet the 1988 deficit reduction target.

Sport Fish Restoration Transfer to Resource Management

For 1988, receipts from taxes authorized for the Dingell-Johnson Federal Aid in Sport Fish Restoration program (DJ) are estimated to continue to increase sharply to \$174 million, an increase of \$33 million over the 1987 level of \$141 million; \$52 million over the 1986 level of \$122 million; and \$136 million over the 1985 level of \$38 million. The increases have been due to the Wallop-Breaux amendments and, more recently, a re-estimate of the amount of fuel taxes paid by motor boat users

Because of the large increases, the budget proposes that the Fish and Wildlife Service, in 1988 only, transfer \$25 million in DJ receipts to its basic operating account for program responsibilities related to wildlife and fisheries. This transfer would leave \$149 million for DJ, an increase of \$8 million over the \$141 million in 1987.

Incentives for American Indians

The 1988 budget for the Bureau of Indian Affairs (BIA) proposes several changes in bureau programs to provide incentives and opportunities for the self-improvement of Indians. The budget includes initiatives in the areas of education, economic development, welfare reform, jobs and training, and self-sufficiency for small tribes.

During 1988 the BIA will begin a concerted effort to gradually turn over operation of all remaining Federal Indian schools to tribal or local public school systems in order to localize decisions and policies. The Bureau intends to retain oversight of the academic progress of these students, and to ensure that they have the opportunity to follow their cultural traditions. The Bureau is now looking at multiple options which include contracting with tribes or States, cooperative efforts among public, tribal and Federal schools, and possibly voucher systems in certain situations. (All of these options will be explored for the remaining BIA-funded schools, whose students comprise about 10 percent of all Indian students.)

The Bureau, through its on-going programs, will emphasize economic development by encouraging investment opportunities and job creation. However, for economic development to occur on Indian reservations, there must be a skilled and motivated workforce. To this end, the Bureau proposes to implement in 1988 a nation-wide program aimed at enabling Indian individuals to achieve sustained and meaningful work, financial advancement and skill development while, at the same time, meeting many of their welfare needs. It is proposed to coordinate operation of the Housing Improvement, General Assistance, and Employment Assistance programs without fundamentally altering the present mission of any of the programs by redirecting them in a manner that encourages and enables self-assistance by Indian individuals. This proposed initiative will also accommodate tribal government efforts to benefit from their reservation workforce.

Finally the Bureau is proposing an initiative to provide tribes additional means by which to augment self-determination. One effort will provide eligible small tribes with greater financial support to improve basic governmental functions. The second effort will provide specialized technical assistance to tribes whose continued existence as governments is threatened by critical conditions of indebtedness and related financial management problems. These efforts are intended to enable tribes to achieve and maintain self-sufficiency.

Sharing of Net Receipts with States and Counties

The budget proposes that, beginning in 1988, the Federal costs of managing and administering onshore mineral leasing be deducted from total revenues and that receipts shared with the states be based on the resulting net amount. Currently, state shares (50 percent for all states except Alaska) are computed on a gross basis without taking account of the costs of obtaining and distributing these receipts, which are now borne entirely by the Federal government.

Under this proposal, which requires legislative approval, revenues from the onshore minerals program will provide the states with \$390.2 million in 1988. This will be a decrease of \$55.0 million from the amount that the states would receive under current law. The estimated 1988 distribution by state is shown in Table F.

Net receipts sharing is also proposed to be applied to timber receipts from the former Oregon and California (0&C) Railroad grant lands. Net receipts sharing will reduce estimated 1988 payments to the 0&C counties in Oregon from \$71.4 million to \$42.9 million, a reduction of \$28.5 million.

OTHER SIGNIFICANT BUDGET PROPOSALS

Aside from the preceding proposals, the main thrust of the 1987 budget is to maintain operating levels of essential programs. The following is a discussion of other significant items in the budget, both increases and decreases from the 1987 estimate.

National Park Service Recreation Fees

The 1987 Interior and Related Agencies Appropriations Act authorized the Secretary to establish and increase entrance fees to most units of the System for a one year period. This action temporarily eliminated a freeze on entrance fees enacted in 1979 and permitted the first fee increases since 1972. For 1988, the Administration is proposing legislation that would provide permanent authority for an expanded entrance fee program.

Proposed changes from the 1987 entrance fee program include: authorizing the National Park Service to retain all recreation has collected to supplement appropriations for operations and other programs; increasing the price of the Golden Eagle Passport from \$25 to \$40; raising the maximum single visit entrance fee from \$5 to \$10 per vehicle; and establishing a lifetime fee of \$10 for the Golden Age Passport.

Under the proposed program, receipts from entrance and user fees are estimated to increase from \$52.8 million in 1987 to \$74.3 million in 1988. Total funding for Operation of the National Park System would increase \$31.4 million from the 1987 current estimate to \$714.8 million in 1988, the highest funding level ever for this account.

A total of \$16.0 million is requested for Land Acquisition, a decrease of \$3.6 million from the 1987 estimate. Within this level, \$6.1 million will be available for emergency and hardship acquisitions and to pay anticipated deficiency court awards. Remaining funds will be used to administer ongoing acquisition actions and the Land and Water Conservation Fund state matching grants awarded in prior fiscal years. The budget also proposes rescissions of \$64.5 million in 1987 appropriations and \$3.2 million of prior appropriations for lower priority land acquisition projects and state matching grants to assist in the goal of deficit reduction. An additional \$30.0 million in land acquisition contract authority is also proposed for rescission.

Consistent with prior year budgets, no budget authority is requested for grants from the Historic Preservation Fund, a decrease of \$9.3 million from the 1987 estimate. Beginning with a proposed rescission of \$15.0 million in 1987 funding, the Administration would eliminate all direct Federal funding for the preservation of historic properties except for those properties that are part of the National Park System. Historic Preservation Fund grants to states are no longer vital to ensure that preservation activities continue. Federal support over the past 15 years has facilitated the establishment of a network of effectively functioning state preservation offices which can continue to operate without Federal assistance. The encouragement of private sector involvement in historic preservation through enhancement of economic and tax incentives has been highly successful.

The 1988 request eliminates direct Federal support for the Illinois and Michigan Canal National Heritage Corridor and the Jefferson National Expansion Memorial Commissions. In total, the two commissions were funded at \$0.3 million in 1987.

The Administration is proposing a reauthorization of funding available from the Highway Trust Fund for park road projects. Under the proposed reauthorization, \$75 million would be available for Park Service road projects in 1988.

BUREAU OF INDIAN AFFAIRS

The Bureau of Indian Affairs (BIA) is responsible for managing and protecting natural resources on 52 million acres of Indian trust lands and for assisting tribes to serve 862,000 American Indians and Alaska Natives. It provides community services, operates or provides financial support to operate schools, maintains law enforcement systems, provides social services, and assists in farming, ranching, forestry and mining on reservations. These services are provided directly by the Bureau and through contracts with over 300 tribes.

The 1988 budget estimate for BIA is \$1.444 billion, a decrease of \$30.0 million compared to the 1987 appropriation of \$1.474 billion. The 1988 estimate is a decrease of \$7.2 million from the current 1987 estimate, which reflects proposed rescissions of \$22.8 million.

The 1988 estimate includes \$13.5 million for increased pay costs and \$18.6 million for estimated costs of the new Federal Employee Retirement System.

The Bureau's budget is the largest in the Department, comprising 23 percent of the total budget in 1988. The request of \$1.444 billion includes \$985.9 million in current appropriations and \$458.0 million in permanent appropriations and trust funds.

For 1988, the Bureau proposes several program changes to better address the persistent economic and social problems on reservations. The Bureau is committed to becoming an "enabler" for Indian economic development and self-improvement rather than merely a "provider". The specific goals of this initiative are lower unemployment, a lower percentage of welfare recipients, lower alcohol and drug abuse, higher educational achievement levels and higher individual self-esteem among Indian people. For these gains to occur and the quality of life to improve on Indian reservations, there must be economic opportunities, a skilled and motivated work force, a healthy investment climate and a solid educational foundation. The bureau's budget for 1988 strives to achieve these goals while continuing to support Indian cultural values.

The 1988 request for Operation of Indian Programs, the Bureau's primary operating account is \$910.2 million, \$11.0 million below the 1987 estimate. The major program initiatives are included in this account.

During 1988 the Bureau will begin a concerted effort to gradually turn over operation of the remaining Federal Indian schools to tribal or public school systems in order to localize decisions and policies. The Bureau intends to retain oversight of the academic progress of these students, and to ensure that they have the opportunity to follow their cultural traditions. The Bureau is considering multiple options which include contracting with tribes or States, cooperative efforts among public, tribal and Federal schools, and possibly voucher systems in certain situations. All these options will be explored for the remaining BIA-funded schools whose students comprise about 10 percent of all Indian students.

The Bureau also proposes to implement in 1988, on a nationwide basis, a program aimed at enabling Indian individuals who receive welfare assistance to achieve sustained and meaningful work and skill development. This program will involve coordinating operation of the Housing Improvement, General Assistance, and Employment Assistance programs, without fundamentally altering their present missions but redirecting them in a manner that encourages and enables self-assistance. This proposed initiative will ultimately lead to higher individual self-esteem and will also accommodate tribal government efforts to benefit from their reservation workforce.

Other initiatives proposed in 1988 include establishing a flat administrative fee to cover indirect costs associated with tribal contracting under the Indian Self-Determination Act (P.L. 93-638). This fee will provide a more equitable distribution of funding for tribal overhead costs of operating programs. During 1988, the Bureau will also initiate a resources allocation effectiveness study which will provide an assessment of available resources and a productivity analysis of on-going programs on each reservation as a means of determining how equitably Federal funding is allocated.

Finally, the Bureau proposes to provide tribes additional means to maintain viable governments. One effort will provide eligible small tribes with greater financial support to sustain the essential functions of their governments. The second effort will provide specialized technical assistance to tribes whose ability to function as a government is threatened by critical conditions of indebtedness and related financial problems. These efforts are intended to enable tribes to achieve and maintain self-sufficiency. A total of \$6.8 million will be available for this effort which is a \$4.0 million increase over the small tribes program funded in 1987.

Other increases in the operating programs include \$2.4 million for the Bureau's management of tribal trust funds and \$2.4 million to improve the quality of contract, grant and personnel functions in the Bureau.

The major decreases proposed for Bureau operating programs include deleting \$7.6 million which was included in 1987 for one-time training and curriculum development costs associated with drug abuse prevention. The 1988 budget also proposes a reduction of \$7.5 million in direct funding for the timber sales program of which \$5 million is to be offset by fees currently collected on sales, and a \$3.2 million decrease in postponable Forest Development work. Also, a reduction of \$7.9 million is proposed in funding operation and maintenance of existing facilities, based on anticipated demolition of unused buildings and better utilization of existing facilities.

The construction budget totals \$57.9 million in 1988, a decrease of \$7.9 million from the 1987 estimate. Funds in the amount of \$32.4 million will be used to build one new school and to improve or repair existing schools. Also, \$17.3 million will be used for Indian housing, emphasizing rehabilitation. Additionally, \$8.2 million will be used for repairing hazardous dams and other costs related to irrigation construction. Once again, Administration is proposing a reauthorization of funding available from Funds Trust for Indian road projects. Under the proposed reauthorization, \$75 million would be available for reservation road projects in 1988.

The 1988 budget also includes \$13.6 million under the account titled Miscellaneous Payments to Indians. This total includes a \$10.7 million payment to the Tohono O'Odham Nation (Gila Bend Indian reservation) and \$2.9 million to cover the administrative requirements of the White Earth Land Settlement Act and the Old Age Assistance Claims Act.

Consistent with the Administration's policy to reduce spending in order to meet the 1988 deficit target set forth in the Gramm-Rudman-Hollings Act, a proposal to rescind 1987 appropriations for construction in the amount of \$22.8 million is included. FY 1988 outlays of \$11.4 million will be saved if proposal is enacted. The proposal would rescind \$7.5 million appropriated to construct Juvenile Detention Centers under the Omnibus Drug Supplemental Appropriations Act of 1987. In lieu of the \$7.5 million proposed for rescission, funding in the amount of \$5.0 million appropriated under the Omnibus Drug Supplemental Appropriations Act of 1987 will be used to construct emergency shelters in the Bureau's Drug Prevention Program. rescission would also reduce by \$6.3 million the amount appropriated for Housing Construction to \$16.3 million. Housing resources will be used to rehabilitate existing housing rather than construct new The proposal would also rescind \$9.0 million appropriated for the Navajo Indian Irrigation Project, the Gila River Farms/Sacaton Ranch Irrigation Project and the Fort McDowell Irrigation Rehabilitation Project.

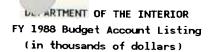
Permanent appropriations and trust funds are estimated to be \$458.0 million in 1988, an increase of \$3.8 million from the current 1987 estimate.

OFFICE OF TERRITORIAL AND INTERNATIONAL AFFAIRS

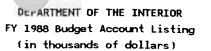
The Assistant Secretary for Territorial and International Affairs carries out the responsibilities of the Secretary for the U.S. Territories of American Samoa, Guam, the Northern Mariana Islands and the Virgin Islands, as well as for the Trust Territory of the Pacific Islands and the freely associated states of the Republic of the Marshall Islands and the Federated States of Micronesia (FSM). The objectives of the Office of Territorial and International Affairs are to promote the political, economic and social development of the territories and direct each toward greater self-government and self-reliance. In the case of the freely associated states, the objective is to administer and supervise continuing Federal programs and funds provided under the Compact of Free Association enacted by P.L. 99-239.

The 1988 budget estimate for Territorial and International Affairs is \$291.0 million, an increase of \$4.0 million compared to the 1987 appropriation of \$287.0 million. The 1988 estimate is an increase of \$6.5 million above the 1987 current estimate which reflects a proposed rescission of \$2.5 million of technical assistance funds.

The 1988 estimate includes \$66,000 for increased pay costs and \$96,000 for costs of the new Federal Employee Retirement System.



	BUDGET AUTHORITY			OUTLAYS		
BUREAUS/OFFICES ACCOUNTS FN	FY 1986 Actual	FY 1987 Current Estimate	FY 1988 President's Budget	FY 1986 Actual	FY 1987 Current Estimate	FY 1988 President's Budget
BUREAU OF INDIAN AFFAIRS Federal Funds General and Special Funds:						
Operation of Indian programs						
Conservation and land management302	,,	142,394	37,282	130,353	141,524	37,319
Area and regional development452		506,608	636,868	487,462	503,537	638,020
Elementary, secondary & vocational ed501	257,299	272,180	236,031	246,535	270,361	236,493
Total, Operation of Indian Programs Construction	882,779	921,182	910,181	864,350	915,422	911,832
Appropriation, current452	108,418	88,601	57,894	110,101	104,877	84,332
Proposed rescission452		(22,811)	,	333,202	(6,843)	(11,405)
Subtotal, Construction (current)	108,418	65,790	57,894	110,101	98,034	72,927
Appropriation, permanent452	4,900	0	0	0	0	0
Total, Construction	113,318	65,790	57,894	110,101	98,034	72,927
Road construction452	0	0	0	1,157	2,343	1 050
Payment to the Alaska Native Escrow806	7,493	0	0	7,493	0	1,850 0
Payment to White Earth Econ. Devel. Fund452	0	6,600	0	0	6,600	-
Miscellaneous Payments to Indians452	0	0	13,628	0	0,600	0
Operation and maintenance of quarters303 Miscellaneous permanent appropriations	6,960	9,000	9,000	6,037	9,000	11,365 9,000
Area and regional development452	45,134	49,000	49,000	38,659	67 000	4/ 450
Other general government806	961	2,000	2,000	854	43,900 2,000	46,450 2,000
Total, Misc Permanent Appropriations	46,095	51,000	51,000	39,513	45,900	 48,450



	BUDGET AUTHORITY			OUTLAYS		
BUREAUS/OFFICES ACCOUNTS FN	FY 1986 Actual	FY 1987 Current Estimate	FY 1988 President's Budget	FY 1986 Actual	FY 1987 Current Estimate	FY 1988 President's Budget
BUREAU OF INDIAN AFFAIRS (cont'd)						
Public Enterprise Funds:						
Revolving fund for loans	0	0	0	(913)	7,532	
Indian loan guaranty and insurance fund452	2,103	2,452	3,285	6,881	9,904	7,10
Liquidation of Hoonah Housing Project452	0	0	0	13	2	
Total, Federal Funds	1,058,748	1,056,024	1,044,988	1,034,632	1,094,737	1,062,526
Trust Funds						
Cooperative fund (Papago)452 Miscellaneous trust funds	328	896	932	0	0	O
Appropriation, current452	974	1,000	1,000	974	1,000	(
Appropriation, permanent452	309,203	393,310	397,070	306,909	353,879	358,263
Total, Miscellaneous trust funds	310,177	394,310	398,070	307,883	354,879	358,263
Total, Trust Funds	310,505		399,002	307,883	354,879	358,263
Total, BUREAU OF INDIAN AFFAIRS	1,369,253	1,451,230	1,443,990	1,342,515	1,449,616	1,420,789
Memo entries:	=======================================					
Current Appropriations	1,001,767	997,024	985,988	990,056	1,040,837	.005.074
Permanents, Trusts, and Others	367,486	454,206	458,002	352,459	408,779	,005,076 415,713
Rescission		(22,811)			6,843)	(11,405

BUREAU OF INDIAN AFFAIRS (in millions of dollars)

			FY 1988 PRESIDENT'S BUDGET			
ACCOUNT	FY 1986 Actual	FY 1987 President's Budget	FY 1987 Current Estimate	FY 1988 Estimate	Change FY 1988/ FY 1987 Estimate	Change FY 1988/FY 1987 President´s Budget
Current Accounts:			;			
Operation of Indian Programs	\$883	\$862	\$921	\$910	(\$11)	\$48
Construction	108	59	66	58	(8)	(1)
Other Current	11	4	10	18	8 :	14
SUBTOTAL, Current	002	92 5	997	986		61
Permanents and Trusts	367	531	454	458	4	(73)
TOTAL	\$1,369	\$1, 4 55	\$1, 4 51	\$1, 444	(\$7)	(\$11)

o In addition to amounts above, \$75 million available in 1988 for road construction from the Highway Trust Fund.

BUREAU OF INDIAN AFFAIRS (continued)

- o 1988 Budget includes initiatives to:
 - -- Begin to transfer the operation of the remaining Federal Indian schools to tribal or public school systems.
 - o Nearly 90 percent of Indian children are now in public or private schools.
 - o BIA will expand the use of contracting and cooperative agreements with tribes and public school systems.
 - -- Develop a self-assistance program emphasizing meaningful work and skill development while meeting welfare needs.
 - -- Provide greater financial support to small tribes and tribes with identified management needs.
- o 1987 current estimate includes rescission of \$23 million in construction for juvenile detention centers (\$8 million), new housing (\$6 million) and three irrigation projects (\$9 million).

Part II Chart 11a



IA A/S SWIMMER

o Major initiatives in education, welfare, jobs, and drug and alcohol abuse

TIA A/S MONTOYA -

o Implement Compact of Free Association

o Otherwise consistent with prior years

INITIATIVES FOR AMERICAN INDIANS

(Not Budget Driven)

Press for:

- o Lower unemployment
- o Lower drug and alcohol abuse
- o Higher education levels
- o Lower percentage of welfare recipients
- o Higher individual self-esteem

Through:

o Incentives and opportunities for self-improvement

Part

INITIATIVES FOR AMERICAN INDIANS

Incentives and Opportunities for Self-Improvement

o Education:

Localize decisions and policies

Greater association with local public education system

o Welfare Reform:

Tribal and individual incentives for self-improvement

Education -- Service -- Jobs -- Other

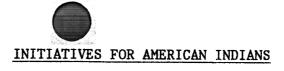
o Economic Development:

Increased job, training, and investment opportunities

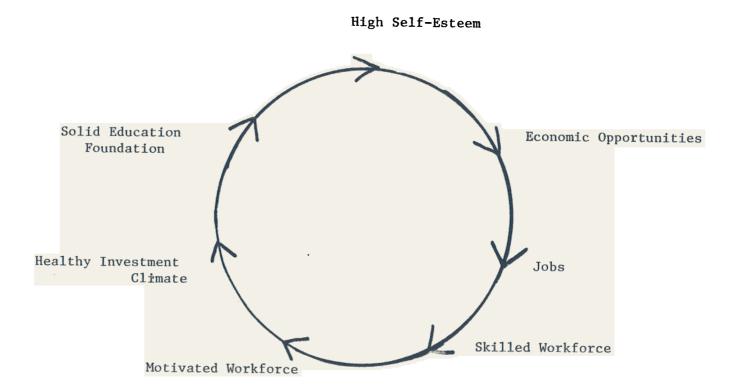
o Drug and alcohol abuse:

Emphasize motivation and rehabilitation

- o Continue to support self-determination and Indian cultural values
- o Move BIA from provider to enabler



Incentives and Opportunities for Self-Improvement



Part I Chart 17



DEPARTMENT of the INTERIOR news release

BUREAU OF INDIAN AFFAIRS For Release January 8, 1987 Carl Shaw (202) 343-4576

BUREAU OF INDIAN AFFAIRS 1988 BUDGET REQUEST IS \$985 MILLION

Interior Assistant Secretary for Indian Affairs Ross Swimmer said today the President's fiscal year 1988 budget request of \$985 million for the Bureau of Indian Affairs (BIA) will enable the Bureau to carry out its responsibilities to the Indian people of this country and still hold the line against increased deficit spending.

The FY 1988 budget request for the main operating account, Operation of Indian Programs, totals \$910.2 million, about \$11 million less than the current 1987 estimate or about a one percent reduction.

With the budget request, the Bureau is introducing a series of initiatives to "provide incentives and opportunities for self-improvement of both tribes and individual Indians," Swimmer said. "All of the initiatives will strengthen the tribes, enhance self-determination, and provide greater opportunity for preservation of Indian culture. This will move the BIA away from the role of 'provider' to the appropriate role of 'enabler'."

The four major initiatives include: moving education away from Bureau control to local communities; an economic self-assistance/self-help program that will reform the general assistance grant program; increased assistance to small tribes through revenue sharing, and; control of drug and alcohol abuse through motivation and rehabilitation.

"These new initiatives are not budget driven, but we are introducing them in the budget process so that we will have the remainder of the current fiscal year to think about them and formulate them into final policy after input from the tribes and from Congress," Swimmer said. "Comments from the tribes and the Congressional hearing process will further shape these programs."

Swimmer said the education initiatives focus on the quality of education for Indian children and propose moving the management of BIA schools to the tribal or state school system. The Bureau has simply not been doing a good job of educating Indian children," Swimmer said. "Despite the fact that the Bureau spends more per student in its schools than public and private schools, test scores by McGraw-Hill reveal that by the time BIA students reach the 12th grade, they are over three years below the national norm. He said that there is need to get away from a system that permits as many as five separate school systems on a reservation to vie for Indian student enrollment and where students move from BIA, to tribal, to public, private and even to off-reservation boarding schools. "Common sense suggests that such a system is not conducive to quality education," he added. The Bureau operates or contracts for the operation of 181 schools in 23 states.

In its post-secondary schools, Haskell Indian Junior College, Lawrence, Kansas; Southwestern Indian Polytechnic Institute, Albuquerque, N.M., and; Institute of American Indian Arts, Santa Fe, N.M., the Bureau will require students to pay a tuition of approximately \$850. Students currently not paying any tuition are eligible for all U.S. Department of Education campus-based financial aid as well as BIA higher education grants. In the higher education area, BIA will develop a program in which recipients of higher education scholarships for post-graduate studies will be required to serve in either the BIA or their tribe after graduation in order to receive college grants. Such a "service obligation" requirement has worked successfully for the Indian Health Service.

Another initiative proposes implementation of an economic self-assistance/self-help program that requires able-bodied recipients of general assistance payments to work or enter job training programs to receive their grants. "We anticipate that most of the jobs or training programs would be in public service, building and repairing homes, laying water lines, sewers, and other needed services on the reservation," Swimmer said. The programs would be similar to the Tribal Work Experience Program (TWEP) currently used by some tribes. Recipients would receive some pay for their work or training in addition to their general assistance grant and would eventually leave the "welfare" rolls. Tribes would have an incentive for putting their members in paying jobs by receiving a share of the savings achieved due to a decreasing percentage of grants paid out in general assistance.

Swimmer said that the initiative would combine the general assistance program (\$66 million in 1987); employment assistance (\$26 million); and, housing improvement program (about \$16 million). The basic mission of the three programs would not change, but would be redirected to encourage and enable self-assistance by Indian individuals.

Small tribes of from 150 to 1,500 members would receive direct funding to operate their tribal governments under anotherinitiative. The current small tribes program funded in FY 87 at \$2.8 million would be raised in FY 88 to \$6.8 million with expanded criteria of eligibility and purpose.

Continued efforts will be made to reduce the use of drugs and alcohol by Indians, with renewed emphasis on motivation and rehabilitation programs, especially through school counseling and construction or rehabilitation of emergency shelters. Nationally operated programs already proven effective against alcohol and drug abuse will be implemented on the reservations through joint efforts of the BIA and the Indian Health Service.

-BTA-

NOTE: Re attached budget comparison tables showing FY 87 and 88 budget figures. A FY 87 proposal for a single tribe/agency line item was not implemented at the direction of Congress. In FY 1988, five separate subactivities have been established for requesting tribe/agency funding. As a result, comparisons between the individual line items in the 1988 budget request and the 1987 appropriation are generally meaningless. Major differences in the 1988 request generally reflect the tribe/agency line changes.

	4.5	4.5		
(All dollar amounts in thousands)	(1)	(2)	(3)	(4) Change Col. 3
	FY 1987	FY 1988	FY 1988	minus
Detailed Program Titles	Approp.	Base	Request	Col.2
•	• • • •			+ or (-)
OPERATION OF INDIAN PROGRAMS				
EDUCATION				
School Operations	185,471	188,451	187,411	(1,040)
Johnson O"Malley Education Assistance	22,750	20,351	20,351	0
Continuing Education	58,559	•	25,869	(1,042)
Substance Abuse/Alcohol Programs	5,400	•	2,400	
SUBTOTAL, Education	272,180	241,113	236,031	(5,082)
INDIAN SERVICES				
Tribal Government Services	32,429	6,770	6,592	(178)
Social Services	111,601	89,969	90,516	547
Law Enforcement	53,413	7,438	3,177	(4,261)
Self-Determination Services	21,624	45,618		5,064
Employment Development	26,182	2,225	2,436	211
Tribe/Agency Operations-Ind. Svs.	0	150,052		
SUBTOTAL, Indian Services	245,249	302,072		
NAVAJO/HOPI SETTLEMENT PROGRAM	2,431	2,402	1,971	(431)
ECONOMIC DEVELOPMENT				
Business Enterprise Development	14,296	10,792	13,146	2,354
Road Maintenance	23,157	267	•	
Tribe/Agency Operations-Econ. Dev.	0	27,061	25,061	(2,000)
SUBTOTAL, Economic Development	37,453	38,120	38,974	
NATURAL RESOURCES DEVELOPMENT				
Natural Resources, General	2,630	1,581	1,888	307
Agriculture	22,820	2,897	3,506	609
Forestry	33,504	10,060	6,631	(3,429)
Water Resources	11,012	1,967	467	(1,500)
Wildlife and Parks	29,582	10,114	10,301	187
Fire Suppression	25,000	0	0	0
Minerals and Mining	10,259	8,574	6,836	(1,738)
Irrigation Operation & Maintenance	7,587	7,618	7,618	0
Tribe/Agency Operations-Nat.Res.Dev.	0	65,961		(7,509)
SUBTOTAL, Natural Resources Dev.	142,394	108,772	95,699	(13,073)
TRUST RESPONSIBILITIES				
Indian Rights Protection	17,815	20,602	18,849	(1,753)
Real Estate & Financial Trust Svs	32,312	14,231	19,513	5,282
Tribe/Agency Operations-Trust Resp.	0	23,862	23,937	75
SUBTOTAL, Trust Responsibilities	50,127	58,695	62,299	3,604
FACILITIES MANAGEMENT	89,845	87,797	80,907	(6,890)

(All dollar amounts in thousands)	(1) FY 1987	(2) FY 1988	(3) FY 1988	(4) Change Col. 3 minus
Detailed Program Titles	Approp.		Request	Col.2 + or (-)
THE RESERVE OF A PROPERTY OF A				
GENERAL ADMINISTRATION	49,726	34,071	38,194	4,123
Management and Administration ADP Services	17,551		17,731	•
Employee Compensation Payments	7,538	12,203	12,131	
Program Management			6,127	
Consolidated Training Program	840			0
Tribe/Agency Operations-Gen. Admin.	0	19,553	19,553	
SUBTOTAL, General Administration	81,503	89,375	94,576	5,201
TOTAL, OPERATION OF INDIAN PROGRAMS	921,182	928,346	910,181	(18,165)
CONSTRUCTION	17 005	0 214	8,194	(1,020)
IRRIGATION SYSTEMS		40,610		
BUILDINGS AND UTILITIES	40,110	-		
LAND ACQUISITION		16.543	17,340	
HOUSING TOTAL, CONSTRUCTION	88,601			(8,473)
ROAD CONSTRUCTION				
Base Program (Direct Appropriations)	0	0	0	0
REVOLVING FUND FOR LOANS				
Current Appropriation	0	0	0	0
Limitation on Direct Loans (Non-Add)	16,320		13,000	
LOAN GUARANTY				
Current Appropriation	2,452	2,452	3,285	833
Limitation on Loan Guarantees (Non-Add)) 0		23,500	
WHITE EARTH TRUST FUND				
Base Program (Direct Appropriations)	6,600	6,600	0	(6,600)
MISC. PAYMENTS TO INDIANS				
WHITE EARTH LAND SETTLEMENT ACT (Adm.)	0	0	788	
OLD AGE ASSISTANCE	0		2,140	2,140
PAYMENT TO TOHONO O'ODHAM NATION	0		10,700	10,700
TOTAL, MISC. PAYMENTS TO INDIANS	0	0	13,628	13,628
***GRAND TOTAL - BIA - FEDERAL FUNDS	1,018,835	1,003,765	984,988	(18,77

(All dollar amounts in thousands)	(1)	(2)	(3)	(4) Change Col. 3	
Detailed Program Titles		FY 1988 Base		minus	
TRUST FUNDS (Definite)	1,000	0	0	0	
TOTAL-CURRENT AUTHORITY - BIA	1,019,835	1,003,765	984,988	(18,777)	
PERMANENT & TRUST ACCOUNTS:					
*MISCELLANEOUS PERMANENTS (BA)	54,000	51,000	51,000	0	
*OPERATION & MAINT. OF QUARTERS (BA)	9,000	9,000	9,000	0	
*COOPERATIVE FUND (Papago)	1,100	896	932	36	
MISC. TRUST FUNDS: Tribal Trust (Permanent) Other Trust Funds	405,887 258		397,570 500		
**SUBTOTAL, MISC. TRUST FUNDS	406,145	394,310	398,070	3,760	
TOTAL, - BIA - PERM/TRUST FUNDS	470,245	455,206	459,002	3,796	
TOTAL - BIA - ALL FUNDS	-			(14,981)	

Bureau of Indian Affairs

1988 Budget Initiatives

The following is a summary and background on several of the BIA's major 1988 budget initiatives:

Indian Education

Elementary and Secondary Schools:

- O In order to offer Indian students a better quality of education, the BIA in 1988 will expand the use of alternative delivery systems for federally funded Indian schools. The BIA proposes to increase the use of contracting and cooperative agreements with tribal governments and public school systems.
- O Federal funding will remain near the 1987 level for schools that enter into cooperative agreements with state education or into self-determination contracts with tribal govrnments. The Bureau was allocated \$153.8 million in fiscal year 1987 to operate its elementary and secondary schools. In 1988 the Bureau is requesting \$163.1 million.
- O The BIA will retain oversight to ensure that cultural and traditional opportunities continue and to monitor academic progress. Federal responsibility will be enhanced rather than ended.
- O Indians in public schools oftentimes score higher in basic skills tests than Indians in BIA schools. In New Mexico, for example, Indian students in public schools out perform Indians in BIA schools at every grade level.
- Approximately 40,000 or ten percent of all Indian children attend the BIA's 181 schools. The education they receive there oftentimes is alarmingly substandard. In some states, eighth graders in public schools test a full year ahead of BIA students. By the time BIA students reach the 12th grade they test on average at the eighth grade level, according to McGraw-Hill test scores. Nevertheless, the Bureau spends more per student than the nation's public school systems. Despite that, most BIA elementary and secondary schools are not in compliance with academic standards set by the Bureau of Indian Affairs.
- O A 1986 field study conducted by the Edwin Gould Foundation for Children reported that "the quality of education on the reservation is poor" and "school administration is badly fragmented." There can be as many as four school systems on one small reservation, according to the report. BIA, public, private and contracted schools cause a duplication of services.
- O "Despite improving scores from 1984 in every area of achievement, BIA students in grades 1-12 performed substantially below the national norms in reading, language and mathematics," according to McGraw-Hill researchers
- O While 66.6 percent of all students in the United States graduate high schools, only 48 percent of the Indian population graduated, according to the 1980 Census. Nationwide, 16.2 percent of all students graduated college in 1980 while only 7.7 percent of the Indian population graduated.

O Except for minor adjustments in the elementary and secondary school budget, this initiative is revenue-neutral.

Higher Education:

- O The Bureau of Indian Affairs in 1988 proposes to develop a program in which recipients of BIA graduate scholarships will be required after graduation to serve in either the Bureau or a tribe in order to receive college grants.
- O A "service obligation" requirement has worked successfully for the Indian Health Services in the Department of Health and Human Services.
- O More than 250 Indian graudate students receive funding each year through the BIA's special higher education program. Those students fall under these categories: 73 percent, master's degrees; 22 percent, doctrates; and five percent, certificates. Most are in the priority fields of health, business, education, natural resources and engineering.

Post-Secondary Schools:

- O The Bureau of Indian Affairs proposes in 1988 to require students attending the BIA's three post-secondary schools to pay a tuition. Approximately 1,400 students attend the BIA-run Haskell Indian Junior College, Kansas; Southwestern Indian Polytechnic Institute, New Mexico; and the Institute of American Indian Arts.
- O Students, who currently pay no tuition, will be required to pay approximately \$850 per year. They are eligible for all U.S. Department of Education, campus-based financial aid as well as BIA higher education grants.
- O The BIA spends \$12.2 million to operate the three schools.

Self-Assistance

- O The Bureau of Indian Affairs in 1988 proposes to implement an economic self-assistance program that will require able-bodied recipients of BIA general assistance payments to work or train in order to receive their grants. This initiative relies heavily on the concept of self-help, in which local residents work in their own communities on projects like building waterlines, housing and other needs.
- The plan coordinates three BIA programs -- General Assistance, which paid more than \$66 million last year to 70,500 low-income Indians; Employment Assistance, a \$26 million program designed to provide job training; and the Housing Improvement Program, which rennovates sub-standard Indian homes. By coordinating these efforts, the self-assistance program opens a workforce in Indian Country that will continue to receive a check while working or training in the private sector as well as in self-help community projects.
- O The short term goal of this initative is to move general assistance recipients from unproductive roles to productive ones. The long-term goal is move recipients from the welfare roles to nonsubsidized payrolls.
- O Unemployment oftentimes is the key to many of the socio-economic problems Indians face today. Alcoholism, which is responsible for 30 percent of the deaths per 100,000 Indians, is prevalent in areas of high unemployment. Nearly 30 percent of all Indians live below the poverty level. Indian unemployment, which stood at 13 percent nationwide in 1980, is the highest of any other race.

Tribal Government Assistance

- O Recognizing the special needs of tribal governments, the Bureau of Indian Affairs proposes to establish Tribal Government Assistance, a program that will award revenue sharing grants to small tribes with populations between 150 and 1,500. These grants will enable tribal governments to maintain the basic management functions necessary to their survival.
- O Tribal Government Assistance also will provide specialized technical assistance to any tribe whose ability to govern is threatened by indebtedness and other financial management problems.
- O Tribal Government Assistance replaces and strengthens the BIA's "Small Tribes Initiative," which in 1987 offered \$2.8 million to troubled tribes. In 1988 the BIA requests \$6.8 million to better enable tribal governments to carryout their administrative responsibilities

Equity Funding

- O The Fiscal Year 1988 budget request includes \$700,000 to conduct a special study that will identify criteria and methods for determining equity in the allocation of BIA funding to tribal governments. Approximately \$300 million in BIA funding currently goes directly to tribal governments.
- O Tribes and other groups have expressed concern about the method by which the Bureau establishes funding for each tribe. The BIA has received numerous recommendations, most of which call for more "equity" in Bureau allocations.
- O A federal court in 1980 required the Indian Health Service to develop an equity funding method.
- O The Bureau of Indian Affairs is committed to maintaining a government-to-government, self-determination relationship with tribal governments. Therefore, federal funding levels should be distributed among the tribes based upon a rational and equitable method.
- O BIA funding for tribes has evolved through arbitrary executive and legislative directions.
- O The analysis envisioned for this initiative must review each BIA program in sufficient detail to determine the many factors leading to an equitable formula for resource allocation.

Improving Trusteeship

- O In order to raise the quality and standard of trust responsibility, the BIA in 1988 will increase internal modernization of trust programs and systems and acquire private sector services that enahnce the Bureau's trustee capabilities. To accomplish this, the BIA proposes the following initiatives:
- O Establish agricultral technical assistance centers Private sector contractors will offer technical assistance to tribes and individual Indians in the extension areas of agribusiness, soil conservation and range management.
- O Offer forestry marketing assistance Approximately six million commercial acres of forests held in trust make Indian timber owners a potential economic force in the timber and fiber industries. In order to maximize profits and better manage forest

- assets, the BIA will offer quality technical assistance from the private sector to improve marketing and sales incomes.
- O Increase energy and mineral development opportunities The BIA will emphasize offering contracts for energy and mineral development directly to Indian tribes. In the past, the BIA has conducted mineral inventory and assessment studies on its own. This will allow tribes locally to determine what opportunities exist and which ones to pursue.

Distribution of Bureau and Tribally-Contracted Schools by State

	ig is a break down BIA-funded schools	Students Schools	85 1
	er the Bureau or		
contracted b		<u>Minnesota</u>	
government		Students	515
government	•	Schools	4
<u>Arizona</u>			
	13,445	<u>Mississippi</u>	
Schools	54	Students	1,126
	.	Schools	6
California			
Students	529	<u>Montana</u>	
Schools	1	Students	340
	_	Schools	4
<u>Florida</u>			
Students	100	<u>Nevada</u>	
Schools	2	Students	65
		Schools	2
<u>Idaho</u>		.	
Students	93	New Mexico	-
Schools	2	Students	9,411
		Schools	43
<u>Iowa</u>			
Students	74	North Carol	
Schools	1	Students	946
		Schools	1
<u>Kansas</u>		N I (I N) I (
Students	80	North Dakot	_
Schools	1	Students	3,346
		Schools	11
<u>Louisiana</u>		Oklahama	
Students	35	<u>Oklahoma</u>	510
Schools	1	Students	510
		Schools	5
<u>Maine</u>		Oncom	
Students	316	<u>Oregon</u> Students	260
Schools	3	Students	360
		Schools	1

Michigan

South Dakota Students Schools	5,561 26
<u>Utah</u> Students Schools	225 2
Washington Students Schools	464 7
Wisconsin Students Schools	304 2
Wyoming Students Schools	322 1
TOTAL States Students Schools	23 38,302 181

^{* 64} of these are contracted by tribal governments.

Bureau of Indian Affairs For Release <u>January 21</u>, 1987

Carl Shaw (202) 343-4576

SWIMMER CARRIES 1988 BUDGET MESSAGE TO NEW MEXICO, ARIZONA

Ross Swimmer, the Interior department's assistant secretary for Indian affairs, told tribal leaders, state officials and his own employees in New Mexico and Arizona that the Bureau of Indian Affairs is looking for a new way of doing business.

Swimmer began a four day speaking tour Jan. 12 in the two states to explain several major initiatives being proposed in the BIA's 1988 budget request

The assistant secretary met on Jan. 12 in Albuquerque with the All Indian Pueblo Council and several other New Mexico tribes. He met later in the day with New Mexico Governor Garrey Carruthers in Santa Fe. Swimmer also discussed his plans with the editorial boards of the Albuquerque Journal and The New Mexican newspaper.

Swimmer attended the Jan. 13 inauguration of Navajo Chairman Peter MacDonald in Window Rock, AZ, briefed BIA employees in the Navajo area office, toured the Navajo Times Today and met in Phoenix with tribal leaders from Arizona, Nevada and Utah.

Swimmer spoke on Jan. 14 to BIA employees in the Phoenix area office and met with Arizona Governor Evan Mecham and state education officials.

The BIA, which educates only about 10 percent of the nation's Indian children, is not providing the quality of education available in local systems like the public schools and oftentimes duplicates existing educational facilities, according to Swimmer.

"What I am proposing is that the BIA contract with another system to provide education for that 10 percent of the Indian population," Swimmer told tribal leaders in Albuquerque. "First and foremost we will contract with tribes."

"We can't get any closer to the people than the tribal government," Swimmer said.

"It is not my position to say how things are going to be done. It is my position to offer a proposal to you, the tribal leaders. During 1987 we will work with tribes. We will ask them to take responsibility for their children by contracting their local BIA school. If the tribal governments choose not to, they are leaving that responsibility to me and I'm going to find the best local delivery system available," he said.

Swimmer told Indian leaders in Phoenix that he was talking with state leaders only to explore their willingness to manage BIA schools if the tribes opt not to contract.

Also among the education initiatives are plans to charge a tuition for students attending the BIA's two post-secondary schools and a proposal to require recipients of BIA graduate scholarships to serve one or two years in their profession with the Bureau or a tribe.

Tribes also listened to plans for a new self-assistance initiative that would require able-bodied recipients of BIA welfare payments to work or train in order to receive their grants.

"The expectation is that this will lessen the dependence on federal programs. If recipients of general assistance are going to be providing community service or other forms of work they're going to ask, 'why not get paid for this?' As they move off the welfare roles it will allow the bureau and tribal contractors to redirect those funds to more positive causes," Swimmer said in New Mexico.

Swimmer said the initiatives are not budget cutting efforts. They were proposed in the 1988 budget to allow for planning and consultation during 1987.

The BIA is requesting \$985 million for 1988, a one percent decrease from the 1987 appropriation.

DEPARTMENT of the INTERIOR news release

BUREAU OF INDIAN AFFAIRS For Release February 18, 1987 Carl Shaw (202) 343-4576

ASSISTANT SECRETARY SWIMMER ISSUES INFORMATION ON CONTRACT FOR TRUST FUND SERVICES

Ross Swimmer, the Assistant Secretary for Indian Affairs, has sent Indian tribes, organizations and Congressional leaders a nine-page paper that provides answers to 48 of the most commonly asked questions concerning a contract with Mellon Bank of Pittsburgh for trust fund services.

In an attached letter, Swimmer said he or his representative will be visiting each of the Bureau of Indian Affairs' (BIA) 12 area offices to meet with tribes and employees about trust fund changes.

In October of last year the U.S. Department of Treasury announced the selection of Mellon from a competition with other financial institutions to provide depository, accounting and investment services for the \$1.7 billion the BIA holds in trust for tribes and individual Indians. The BIA is working with the Treasury Department to finalize a contract with the Mellon Bank.

Mellon was founded in 1869 and is the 12th largest bank in the nation. Its trust department is the third largest in the country and it does business in all 50 states.

Studies by government and private accountants dating back to 1982 have recommended improvements in the trust fund management program. Swimmer, who took office in December of 1985, moved quickly to use private sector information on services available that could assist the BIA in making needed improvements.

"Many of the benefits from the contract will be in the form of (improved) accounting and quicker investment of trust collections," the question and answer paper says. "BIA employees will have a direct access to information about collections, deposits, investments and earnings by account on a daily basis.

"Tribes and individual Indians also will benefit from immediate access to account information and improved reporting both in terms of quality and timeliness."

The contract will be for three years with an option to renew for two additional years. It is expected to cost around \$4 million annually;

"Mellon's proposal of approximately \$4 million is about what we spend (on trust fund services) but less than what it would cost the BIA to make the kind of improvements Mellon will provide," Swimmer told the United South and Eastern Tribes in Washington, D.C. earlier this month.

Swimmer said it is unlikely that many BIA employees will lose their jobs as a result of the contract. He said many of the employees affected can be absorbed within the Bureau during the contract's two year implementation and there will be a need for clerks at each BIA agency office as well as central office personnel to monitor the contract. Any reduction in force will be through attrition of jobs.

The Billings Area Office will be used as the test site for contract implementation. Swimmer told USET it will be up to two years before the contract is implemented fully at every area.

Swimmer discussed the trust fund improvements with tribal leaders in Portland Feb. 12 and in Billings Feb. 13. He will speak with Oklahoma tribes Feb. 27 and will be in Phoenix the first week of March.



DEPARTMENT of the INTERIOR news release

BUREAU OF INDIAN AFFAIRS For Release March 13, 1987

Carl Shaw (202) 343-4576

BIA TO REOPEN COMPETITION FOR TRUST FUND MANAGEMENT SERVICES

The Bureau of Indian Affairs (BIA) announced today that it would reopen competition by conducting a new full-scale procurement for financial trust services to strengthen internal management and administration of more than \$1.7 billion of Indian trust funds.

"This will give Indian tribes a chance for greater input on this important decision," said Ross Swimmer, Interior's Assistant Secretary for Indian Affairs. "Many tribes have indicated a strong interest, and have requested additional consultation. By consulting the tribes in conjunction with a full competition, we hope to increase understanding and secure the best possible contract."

Swimmer said that he is drafting a letter to the chairman of all Indian tribes to discuss the anticipated procurement and how their concerns will be covered.

"BIA will prepare a new request for proposals (RFP) ensuring full and open competition among financial institutions at large through the regular procurement process," he said. "We will develop a new proposal to meet the needs of the BIA which will include the same components that were in our original proposal — collection, accounting and investment services," he said. "In addition, we will develop a comprehensive consultation plan for publication in the <u>Federal Register</u> that informs and seeks input from tribes and individuals with monies invested in the trust fund."

BIA announced last October that BIA and the U.S. Treasury Department had selected Mellon Bank of Pittsburgh from among six competing banks already providing "lock box" services to Treasury to handle the Indian trust fund account. A three-party agreement had been anticipated among BIA, Treasury and Mellon. At the time, it was believed that the accounting and investment services would simply be enhancements to the already existing "lock box" arrangements between Treasury and the banks. Recently, however, Treasury officials became concerned about certain technical aspects of the competition, including the limitation of competition to Treasury's six primary depositories.

"Although we will not be able to proceed with the proposed contract, we

very much appreciate the interest and cooperation of Mellon Bank officials," Swimmer said. "Mellon is a highly professional financial institution and we hope it will continue its interest in assisting the BIA in improving its trust fund management.

"Numerous reports from Congress and the Department of Interior have pointed out the deficiencies of our system and recommended that we obtain help in administering our trusteeship from the private sector, however, until then we have no choice but to continue the use of existing internal systems until a contract is signed," the Assistant Secretary pointed out. "I think it is important that tribes and individuals understand that it is not practical to develop an in-house computer system and acquire full-time money managers. The time and cost of doing so would be prohibitive."

--BIA--



United States Department of the Interior

BUREAU OF INDIAN AFFAIRS WASHINGTON, D.C. 20245

IN REPLY REFER TO:

BUREAU OF INDIAN AFFAIRS For Release March 20, 1987 Carl Shaw (202) 343-6031 Greg Shaw (202) 343-4576

BIA-FUNDED BUSINESS OPPORTUNITY CENTERS CREATE JOBS

A Bureau of Indian Affairs (BIA) investment that created three "business opportunity centers" last September is paying off with real jobs for Indian people.

The Rensselaerville Institute of Rensselaerville, N.Y., one of the three new centers, has been working with tribes and individual Indian entrepreneurs across the country. It has created and saved a total of 84 jobs.

"Our focus for these centers is on creating jobs," said Ross Swimmer, the Interior Department's assistant secretary for Indian affairs and director of the BIA. "We certainly encourage major industrial development but I think it's the jobs created by individual entrepreneurs and small businesses that will add up to success for Indian Country."

Swimmer announced last fall that the BIA had awarded \$250,000 contracts to three organizations that proposed to create 1,081 jobs over a three year period. In addition to Rensselaerville, those centers are the Fairbanks Native Association in Alaska and the United Indian Development Association (UIDA) in California.

Their method is to link the resources of Indian Country with the needs of industry.

That approach has worked on both the Seneca Nation's Cattaraugus Reservation and the St. Regis Mohawk Reservation in upstate New York.

Rensselaerville had been meeting with managers at Eastman Kodak Company and learned that a number of small contracts were available through the company for skilled craftsmen.

David Gordon, executive director of the business opportunity center, contacted the Seneca Nation and found that a BIA vocational training program was nearing the completion of classes and 13 tribal members with metal working skills would be out of a job.

The business opportunity center brought Kodak and the Seneca Nation together to sign a contract in which the Tribe will hire the 13 members to

refurbish metal storage bins, which require sand blasting, welding and painting skills. There is a potential for nearly 25 jobs.

"Their work is very good," said Kodak's Dennis W. Zink, the investment recovery manager in the manufacturing resources division. "It meets company needs, it helps Kodak, and I'm certainly pleased that this relationship is helping create jobs for these highly-skilled people."

Bob Hoag, president of the Seneca Nation, also is pleased with the results and looks forward to future successes.

"This gave us an opportunity to keep the people going, and able to subsidize themselves. That's the name of the game. There is a lot more to be done. It's strictly up to us to prove we can compete in the outside world," Hoag said.

The BIA-funded opportunity center did much the same thing on the St. Regis Mohawk Reservation, where the tribe had trained five wood workers that needed jobs.

The Mohawk tribe now is employing five tribal members to build precision wood parts for Kodak.

"The students were unemployed, going through training and had no place to go," said Gordon. "This was a case where we found a training program that was about to end and brought jobs to the people that were consistent with the skills they had learned."

In New Mexico, Rensselaerville conducted an extensive study of the Indian Pueblo Cultural Center in Albuquerque. The center was in the process of foreclosure.

Gordon, working with local BIA credit officials, recently recommended a comprehensive management plan that includes management reform, consolidation of debt and BIA loan guarantees for property renovation.

Those recommendations could save up to 66 jobs, according to the cultural center's Chief Executive Officer, George Wickett.

He said the BIA stepped forward last fall to make an interim loan that kept the center open until a complete business plan could be written. Rensselaerville's business opportunity center worked with Wickett to produce the plan.

"It took an outside professional to take a fresh look at our project. It was very instrumental to our staying open," said Wickett.



DEPARTMENT of the INTE



BUREAU OF INDIAN AFFAIRS For Release March 23, 1987

Carl Shaw (202) 343-4576

INDIANS INVITED TO MAKE NOMINATIONS FOR INSTITUTE OF AMERICAN INDIAN AND ALASKA NATIVE CULTURE AND ARTS DEVELOPMENT BOARD OF TRUSTEES

More than 700 Indian tribes, organizations and individuals have been invited to nominate individuals to serve as voting members on the Board of Trustees of the newly-established Institute of American Indian and Alaska Native Culture and Arts Development, a successor to the current Institute of American Indian Arts (IAIA) in Santa Fe, New Mexico.

Interior's Assistant Secretary for Indian Affairs Ross Swimmer, soliciting nominations on behalf of President Reagan, said the 13 voting members of the board will be appointed by the President subject to confirmation by the U.S. Senate. The authorizing legislation (Title XV, P.L. 99-498) signed by the President last year requires that the board be selected "from among individuals from private life who are Indians, or other individuals, widely recognized in the field of Indian art and culture and who represent diverse political views." The legislation also directs that due consideration be given to the appointment of individuals who will provide appropriate regional and tribal representation on the board and that the majority of members be Indians.

"Nominations are being sought from a wide range of interested individuals and organizations," Swimmer said. "All nominations will receive due consideration by a select screening committee which I will appoint."

Four of the 13 voting members of the board will be appointed for two-year terms of office; four for four-year terms; and five for six-year terms, as determined by the drawing of lots during the first meeting of the board. In addition, the Speaker of the House of Representatives and the President Pro Tempore of the Senate will appoint four of the six nonvoting members of the board. The president of the Institute and the president of the student body will make up the other two nonvoting members.

Requests for nomination forms should be addressed to: Assistant Secretary - Indian Affairs, ATTN: Pat Keyes, IAIA Nominations, Mail Stop 4160-MIB, 18th and C Sts. NW, Washington, D.C. 20240. Nominations must be postmarked by April 16.



BUREAU OF INDIAN AFFAIRS For Release April 1, 1987 Carl Shaw (202) 343-4576 Greg Shaw (202) 343-6031

INTERIOR, HHS SECRETARIES SIGN AGREEMENT TO ADDRESS INDIAN ALCOHOL AND SUBSTANCE ABUSE

Secretary of the Interior Don Hodel and Health and Human Services

Secretary Otis Bowen, M.D., have signed a memorandum of agreement to

coordinate implementation of the Anti-Drug Abuse Act of 1986. A portion of
the law is devoted to the prevention and treatment of alcohol and substance
abuse among American Indians and Alaska Natives.

"This is the first step in a unified, coordinated approach to fight this devastating problem," Hodel said. "This Administration has demonstrated its commitment to achieving sobriety throughout America. Coordination of resources and expertise between our departments is a positive move in that direction."

"The IHS and BIA recognize alcohol and substance abuse as a disease which is both preventable and treatable," Bowen said. "The IHS and the BIA recognize chemical dependency as a major serious health and social problem affecting the individual, family and tribe."

The agreement coordinates the programs in the Interior Department's Bureau of Indian Affairs (BIA) and HHS' Indian Health Service (IHS), which were appropriated \$45 million in FY 1987 for prevention, intervention, treatment and follow-up aimed at stopping substance abuse.

The act points out that Indians between ages 15-24 are twice as likely as the general population to die in automobile accidents, more than 75 percent of which are alcohol-related. It also notes that four of the top 10 causes of death among Indians stem from alcohol and drug-related injuries.

Interior's Assistant Secretary for Indian Affairs, Ross Swimmer, said the BIA program has one goal -- sobriety.

The agreement identifies a number of short-term responsibilities required by the law. The two agencies will publish a newsletter, fund community training, identify available substance abuse resources and programs, determine the scope of the problem in Indian Country, set standards for establishing and opening emergency shelters, publish an annual comprehensive report for tribes,

compile data on child abuse, develop curriculum on substance abuse prevention for Indian students, provide crisis intervention at BIA schools and develop a model juvenile code.

The BIA will be working with tribes as they develop tribal action plans that design local solutions to alcohol and substance abuse in Indian Country

The MOA was published in the $\underline{\text{Federal Register}}$ March 26 and will be mailed to all federally-recognized Indian tribes.



BUREAU OF INDIAN AFFAIRS For Release August 12, 1987

Carl Shaw (202) 343-4576 Greg Shaw (202) 343-6031

BIA FORWARDS TOHONO O'ODHAM DROUGHT RELIEF REQUEST TO AGRICULTURE DEPARTMENT

The Interior Department's Bureau of Indian affairs today recommended that the Agriculture Department provide emergency grain to feed cattle on the Tohono O'Odham Reservation in Arizona, where overstocking has brought about emergency conditions requiring a supplemental food supply.

The BIA recommended that the Agriculture Department's Agriculture Stabilization and Conservation Service (ASCS) provide only the grain necessary to feed the carrying capacity of the reservation. The BIA estimates that the reservation is 158 percent overstocked and has stipulated as part of its approval that the tribe prepare a management plan on how it will reduce livestock.

"Although we are recommending some federal relief, we cannot condone overstocking," said Hazel Elbert, the BIA's acting assistant secretary. "We are forwarding a request to the Agriculture Department for grain to feed the carrying capacity but we also are asking the tribe to develop a plan to ensure this doesn't happen again."

The tribe is now grazing about 26,300 head of livestock, while the reservation's capacity is only 10,550. Reports indicate as many as 1,000 head have died of starvation this summer.

The BIA, which is the federal government's branch concerned solely with Indian affairs, merely processes ASCS requests for relief and final approval comes from the Agriculture Department.



Office of the Secretary

For Release October 27, 1987

Bob Walker (202) 343 3171

SECRETARY HODEL CALLS FOR UNIFIED EFFORT
TO IMPROVE FEDERAL PROGRAMS SERVING INDIAN TRIBES

Secretary of the Interior Don Hodel told Congress today that longstanding problems plaguing federal efforts to serve Indian tribes will continue until the tribes, the Congress and the Administration make a unified effort to "find new ways to work together toward our common goal: to create a framework within which American Indians can improve the quality of their lives."

"The old ways of doing things are not leading to the accomplishment of this goal," Hodel said in testimony prepared for the Subcommittee on Interior and Related Agencies of the House Appropriations Committee.

"We believe with bold, creative approaches, perhaps we could develop proposals which work," Hodel said.

Hodel appeared at the hearing with Ross Swimmer, Assistant Secretary for Indian Affairs, who said that fundamental changes are needed to fulfill the proclaimed federal policy of self-determination for Indian tribes.

"It is time to give the tribes the responsibility they seek,"
Swimmer said. The Assistant Secretary said that inevitably the concept
of a paternalistic federal agency will clash with the concept of selfdetermination and freedom -- one must give way in order for the other to
survive. He said this is not an issue of reducing financial support.

"The BIA (Bureau of Indian Affairs) is expected to address almost every social and economic ill known to mankind through approximately 100 discrete programs," Swimmer noted. An already overwhelming task is further complicated by a lack of agreement among the tribes, Congress and the Administration as to priorities among the many responsibilities.

Swimmer pointed out that BIA currently has responsibilities for delivering some form of virtually every federal, state and local program. For example, the BIA has responsibility for schools, colleges, police departments, courts, social services, job training and employment programs; acts as a bank for deposits, payments, investments and credit programs; is a trustee of tribal and individual Indian assets; oversees forests and fisheries; employs agronomists and archaeologists, minerals and mining experts; operates irrigation and power systems; builds houses, dams, roads, schools and jails; and provides technical assistance.

The Assistant Secretary emphasized that he was not suggesting the Federal Government abandon programs or reduce funding where there is need among American Indians.

"We should specifically identify those federal programs which deal with the management of Indian trust resources such as lands, mineral resources and trust funds," as well as those managed by other federal agencies, Swimmer said. "It is a responsibility of the entire Federal Government to ensure that the best available services are provided in connection with the management of Indian lands, resources and trust funds."

Federal support for other than trust services should come through a new category of funding which could be included in the BIA budget for true self-determination grants, Swimmer said.

"With these self-determination funds the tribes would have complete autonomy in determining what programs would be provided," Swimmer explained. "Tribes not wishing to operate programs directly could contract with the BIA to operate the programs for them. Thus, rather than having programs which the tribe can contract from the BIA, the tribes could design their own programs and contract them to the BIA, or if they chose, to another federal or local agency."

Earlier this year, the Department recommended placing control of Indian education programs at the local level; combining a number of disparate programs to create a unified job-training/job-creating effort as an alternative to welfare; standardizing contract support payments, while including a subsidy to stabilize funding to small tribal governments; and, securing competent, professional private sector assistance to manage properly approximately \$1.7 billion in Indian trust funds.

STATEMENT OF THE SECRETARY OF THE INTERIOR DONALD PAUL HODEL

before the
Subcommittee on Interior and Related Agencies
Committee on Appropriations
United States House of Representatives

October 27, 1987

Mr. Chairman and Members of the Subcommittee: I am pleased to have the opportunity to appear before the Subcommittee today to discuss the relationship between American Indians and Alaskan Native people and the Federal Government. Establishing an appropriate relationship between Indian people and the Federal Government has been a serious dilemma for more than two centuries.

I would like to remind you, Mr. Chairman, that when I first appeared before you, we addressed three major problems in the Department of the Interior: One was the Minerals Management Service's royalty management program, on which we have made significant progress; the second was computers, on which there has also been significant progress; and the third was Indians, on which we had no consensus on how to solve the problems.

Over the years there have been conflicts in cultures, conflicts in goals, conflicts in approaches to solving problems. As many reports point out problems persist in education, health, law enforcement, and the delivery of services. The Federal Government over many Congresses and Administrations has tried innumerable ways to solve the problems. It has passed so many laws that the portion of United States Code related to Indian Affairs is about the same size as that related to labor law or laws governing the Congress. The Government has poured billions of dollars into Indian programs — nearly three billion dollars appropriated annually in recent years, about one—third of which is to the Department of the Interior.

Time and again the government has set up commissions to examine Indian problems and recommend solutions. Although proposed solutions are many and varied, two major themes recur: the need for economic development on reservations and the desire of American Indians for self-government to decide their own goals and directions.

In 1983 President Reagan's Policy on American Indians reinforced the government-to-government relationship of Indian Tribes with the United States for purposes of self determination for Indian people and promoted both tribal self government and the development of reservation economies.

In keeping with this policy, the President's choice for the Assistant Secretary for Indian Affairs in the Department of the Interior, was a person who would continue to stress the themes of economic development and self-determination. Ross Swimmer is the former Chief of the Cherokee Nation of Oklahoma, the second largest tribe in population in the country. He is the first Chairman of any tribe to lead Indian Affairs for the Department of the Interior. He continues to have the President's and my support.

Since Mr. Swimmer has been in office, the Administration has proposed some of the most exciting and promising initiatives on Indian Affairs in years. But we have not been able to generate broad-based support for these initiatives Examples of the initiatives are:

A self assistance program that would enable a welfare recipient to achieve sustained and meaningful work and skill development.

Major changes in the area of self determination including a new approach to equitably funding tribal indirect contracting costs and funding a new program targeted at enhancing small tribes' capabilities.

A new plan to improve for full financial trust services for the \$1.7 billion held in trust for tribes and individual Indians by contracting with a qualified financial institution.

The transfer of the operation of the remaining Federal Indian schools to tribal or public schools through the use of contracting or cooperative agreements. Currently, the Federally and tribally operated schools account for only 10 percent of all Indian students nationwide and such a transfer would move the policy and decision making to the local level.

Because of the diversity and complexity of tribes, almost every proposal to change the status quo in Indian country is met with fear and resistance. To attain a consensus among 500 such groups has been impossible. To obtain congressional concurrence in major changes has been extraordinarily difficult.

Mr. Chairman, we view this as a new opportunity to focus attention on the need to get unified with the Congress and tribal leaders — a chance to focus attention on the fundamental problem. The tribes, the Federal employees, the lobbyists and the political leaders in Congress and the Administration must find new ways to work together toward our common goal: to create a framework within which American Indians can improve the quality of their lives. The old ways of doing things are not leading to the accomplishment of this goal. We believe with bold, creative approaches, perhaps we could develop proposals which would work. It is in that spirit that I appear before you today — ready to work with you, American Indians, and Alaskan Natives to meet that goal.

Assistant Secretary Swimmer and the Department of Interior Solicitor Tarr are here with me to discuss improved relationships between Indian tribes and the Federal Government, new approaches to funding for the tribes, and to respond to the areas of concern that the Subcommittee may have. Mr. Swimmer has prepared a statement which he would like to to summarize for you.

Statement of the

Assistant Secretary - Indian Affairs
before the
Subcommittee on Interior and Related Agencies
Committee on Appropriations
United States House of Representatives
October 27, 1987

Mr. Chairman and Members of the Committee, I appreciate the opportunity to appear before the subcommittee today to discuss current problems and future directions for the Bureau of Indian Affairs. I want to attempt to provide an overall perspective of the far-ranging responsibilities the Administration and the Congress have placed on the Bureau of Indian Affairs.

With the exceptions of national defense and health care, some form of virtually every other federal, state and local program is found in the Bureau of Indian Affairs: BIA operates schools and colleges, police departments, courts, social services, job training and employment programs. It acts as a bank for deposits, payments, investments and credit programs, and as a trustee of tribal and individual Indian assets. The Bureau oversees forests and fisheries, and irrigation and power systems. It employs experts in mining and minerals, and agriculture and archeology. The Bureau builds houses, dams, roads, schools, and jails. Bureau employees operate programs while preparing to work themselves out of a job by providing training and technical assistance to allow tribal contracting. The Bureau must meet federal trust responsibilities while encouraging tribal self-determination.

The Bureau of Indian Affairs is expected to address almost every social and economic ill known to mankind through approximately 100 discrete programs. The BIA provides services to almost 500 tribes and Alaska Native groups in 30 states from California to Maine. Rather than asking why there are problems in the operation of Indian programs, we should ask how anyone can realistically think that one Bureau could fulfill such expectations.

If a member of Congress requests funds to expedite cadastral surveys in his state, the Committee does not add the money to the Smithsonian budget — it goes to the BLM because they have the expertise. Funds to increase reforestation efforts go to the Forest Service, not the Bureau of Mines. Yet, if these activities were proposed for Indian country, the money would not be added to the Bureau of Land Management or the Forest Service but to the budget of the Bureau of Indian Affairs — not because we have the best surveyors or the best foresters, but simply and solely because it is an Indian project.

We are all responsible for this anomaly: the Administration, the Congress, and the Indian tribes. No one identifies a need in Indian country and then asks which Federal agency is most capable to do the job. If it's not health related, the responsibility is usually given to the Bureau.

There are obvious reasons for this. We want to hold someone accountable; we want to be able to readily identify expenditures for Indian programs; and we want to ensure that within the competing demands for Federal services, the voice

of the Indian people is heard. Title 25 of the Annotated Code is almost 1500 pages long and the regulations governing Indian programs cover more than 800 pages. Felix Cohen's Handbook of Federal Indian Law states: "The federal law governing Indians is a mass of statutes, treaties, and judicial and administrative rulings, that includes practically all the fields of law known to textbook writers — the laws of real property, contracts, corporations, torts, domestic relations, procedure, criminal law, federal jurisdiction, constitutional law, conflict of laws, and international law. And in each of these fields the fact that Indians are involved gives the basic doctrines and concepts of the field a new quirk which sometimes carries unpredictable consequences." There are over 4,000 different treaties and statutes which have been approved. The Bureau is often criticized for not meeting all of its responsibilities but those responsibilities have become truly monumental, and in some cases, conflicting.

Even with all these duties, it might be possible for the Bureau to operate in a manner which meets with the approval of the Administration, the Congress, and the tribes — if everyone could agree on the priorities. What is the most important program of the Bureau — where should we concentrate most resources and energies? What program is second on the list? And so on, until we can name the least important program of the Bureau of Indian Affairs. I would suggest that if you posed that question — program specific — to each tribe and each Member of Congress with an interest in Indian affairs, that you wouldn't get a dozen identical lists. There simply is no agreement on the priorities of the Bureau of Indian Affairs. No agreement among tribes, members of Congress, or even among employees of the Bureau. Without such basic consensus among those who pass the laws, those who are charged to carry out the laws, and those whom the laws are designed to serve, how much of the fault can really be laid on the management of the Bureau?

Let me give an example of what this multiplicity of programs means at the local level: one employee at an agency office in Oklahoma is responsible for certifying general assistance clients and applicants for child welfare assistance. This person also approves expenditures from individual trust accounts held for incapacitated adults and minor children. In addition, this employee oversees the scholarship, adult education, and adult vocational training programs. And for next year, the tribe has recommended that this individual also assume all clerical duties associated with the programs. Which portion of this job should the individual do first and spend the most time on? This is not necessarily an extreme example, because at the agency level, many individual programs have relatively few dollars and small workloads, thus, making it impossible to justify a full-time position for each.

We recognize that the Congress is sincere in its desire to help Indian people. Please believe that we at the Department of the Interior share this desire. I would agree that the administration of Indian programs has been and continues to be plagued with many problems, program deficiencies and shortcomings. I have tried, and will continue to try, to work with Congress and the Indian tribes to resolve these issues. Having served as a tribal chairman for years, when I came to Washington I had some ideas on changes that could be made to improve Bureau operations. A number of these ideas — none of which was associated with a budget reduction — met with approval of the Secretary and the Administration and were included in the Bureau's budget proposal for fiscal year 1988: placing control of education programs at the local level; combining

a number of disparate programs to create a unified job training - job creation effort as an alternative to welfare; standardizing contract support payments, while including a subsidy to stabilize funding to small tribal governments; and, securing competent, professional, private sector assistance to properly manage one and one-half billion dollars in trust funds. Unfortunately, the Bureau apparently did not present a sufficiently compelling case for adoption of these recommendations, as most have met with strong opposition.

In your letter of October 16, 1987 requesting that we appear for this hearing, reference is made to the report of the American Indian Policy Review Commission which stated that present budgetary practices do not provide an equitable share of Federal appropriations for Indian services and that there was one Federal administrator for every 19 Indians. You asked that we be prepared to address ways of assuring a greater passthrough of appropriations to tribes themselves rather than to layers of the BIA bureaucracy.

We are prepared to make two very basic recommendations which I believe will accomplish what you seek. Before addressing those, however, I would like to clarify the record regarding the so-called "bloated bureaucracy" of the BIA. Employment in the Bureau of Indian Affairs has decreased by 20 percent since 1976. That is remarkable enough, but when one considers that during this same period of time, the Indian population served by the Bureau has increased by over 30 percent, the difference is even more striking.

With respect to the recommendations I am about to make, it is understood that working out the details will require time and effort, but it is an effort the Department is willing to make if the tribes and the Congress will do the same. I should also stress that the views set forth in my statement are solely those of the Department of the Interior and should be viewed as such. The development of specific recommendations will require coordination with other affected executive branch agencies prior to submission of an Administration proposal.

First, we should specifically identify those federal programs which deal with the management of Indian trust resources, i.e. lands, minerals resources, and trust funds. Trust programs need to be distinguished from other programs which may be necessary and important, and which may meet very real needs, but do not involve the management of trust assets. I would not argue against the need for other programs in addition to those necessary to fulfill trust responsibilities but "need" does not necessarily equate with "trust responsibilities."

We should then determine if there are other agencies of the Federal Government more capable to upgrade and carry out the various program functions involved in the management of trust assets. These programs should not reside solely within the Bureau of Indian Affairs — it is a responsibility of the entire Federal Government to ensure that the best available services are provided in connection with the management of Indian lands, resources and trust funds.

The Bureau of Indian Affairs and the Indian Health Service are subject to "Indian preference" in hiring and promotion of employees. I fully subscribe to the intent of Indian preference, and feel that the fact that 83 percent of BIA employees are Indians is proof of our sincere attempts at compliance, but it should be examined in context of changed conditions. Less than one-

half of one percent of the population of the United States meets the requirements to be extended Indian preference in Federal hiring. I have been told that of the working-age population, only 47,000 Indians have completed college. The BIA, IHS, national Indian organizations, some Committees of Congress, and hundreds of tribal governments are all competing to obtain the best of a very small workforce. And, of course, not all Indians are interested in working for either the Federal government or tribal governments. Congress has allowed tribal contractors operating programs with Federal funds to waive Indian preference. At a minimum, I think we need to review the categories of employment where we currently have, or are projecting, a shortage and be granted waiver authority at the Federal level.

The following recommendation concerns the operation of all other programs which have not been specifically identified through the foregoing process. Our recommendation is that there be only one other category in the Bureau's budget -- true self-determination grants. We currently have a situation where self-determination is limited to allowing tribes to contract for programs which the Bureau has operated in the past. And, the tribes are supposed to run the programs in much the same way as the Bureau had, being held to the same requirements and regulations. If, for instance, a tribe spends education funds on a social services program, that cost would most likely be disallowed under an audit and the Bureau would be directed to recoup those funds from the tribe. It doesn't matter that the need is real and the funds were put to good use. It only matters that the expenditure was outside the scope of the contract. This occurs because of the large number of separate programs the Bureau is required to operate, since notwithstanding the rhetoric of self-determination, both the Administration and the Congress want to know exactly how much we are spending on every conceivable activity in Indian country.

A formula should be established as the basis for the distribution of these self-determination funds. Since the Bureau's budget is based largely on historical spending, including tribal-specific increases over a number of years, there is currently a great disparity in funds available to similarly situated tribes. In establishing the formula, we would suggest that it be based primarily on a per capita distribution, with some adjustment for small tribes, and perhaps, an adjustment for tribes which have no economic or natural resource base. The per capita distribution should address the expansion of many tribes' membership criteria.

With these self-determination funds the tribes would have complete autonomy in determining what programs would be provided. Tribes not wishing to operate the programs directly could contract with the Bureau to operate the programs for them. Thus, rather than having programs which the tribe can contract from the Bureau, the tribes could design their own programs and contract them to the Bureau, or if they chose, to another Federal or local agency. This would also address the question of the size of the BIA labor force. Once the statutory responsibilities were defined and staff resources identified to meet these responsibilities the size of the BIA workforce would be a result of specific tribal requests for services. It would be necessary to establish some broad parameters in that the use of the funds would have to be legal; that it comport with certain minimum standards with respect to protection of individual rights and public safety; that programs contracted to the Bureau not include requirements which civil servants are not otherwise allowed to perform; and

that sufficient advance notice be given for any new program to be contracted to the Bureau so that appropriate staff could be made available.

While these recommendations sound fairly straightforward, I do not underestimate the time and effort that would be involved in reaching a consensus with the tribes and the Congress in identifying those specific activities required to meet the statutory responsibility, or in devising a fair way to distribute the remaining federal resources. Such an undertaking could, however profoundly affect the way the Bureau of Indian Affairs currently operates and would better enable the Department and the Bureau to carry out their responsibilities once we have all agreed on exactly what those programs should be.

It would also provide much needed changes by making self-determination truly meaningful. Responsibility would properly be placed at the tribal level for the design and oversight of programs that respond to local needs. Such action would be consistent with President Reagan's 1983 statement on American Indian policy, which reinforced the policy developed during the Nixon Administration endorsing self-determination and government-to-government relationship with Indian tribes. A policy statement without a concommitant change in structure and direction to implement the policy, has hampered the ability of the Federal government to meet the raised expectations of the Indian people.

True self-determination cannot be limited to programs designed 50 years ago -- or even those designed 15 years ago. Those programs and delivery systems represent Washington's view of what is needed or what will work on reservations; and, being Bureau-wide programs, they also operate on the assumption that what works on the Navajo reservation should work on the Mississippi Choctaw reservation.

True self-determination must mean more, and it is time to revisit the concepts of self-determination and self-government — not merely to tinker with the law which maintains a contractual relationship between the Bureau and the tribes within the limitations imposed by pre-established funding levels for specific programs. It is time to give the tribes the responsibility they seek. That concludes my opening statement, Mr. Chairman. We are prepared to discuss the issues raised in the news articles, as well as other matters the Committee may wish to address. While we would have written the news articles differently, at least what was written gives us the opportunity to respond to these concerns.





BUREAU OF INDIAN AFFAIRS For Release November 5, 1987

Carl Shaw, 202 343-4576

SWIMMER TELLS SENATOR MCCLURE OPTIONS TO BE EXAMINED ON MOVE OF BIA OFFICE

Interior Assistant Secretary Ross Swimmer Thursday told Senator James McClure that every option will be examined before a final decision is made concerning the relocation of the Bureau of Indian Affairs (BIA) agency office in Lapwai.

"I assured Senator McClure that we would look at remodeling the present site; other sites in the area; or new construction. We will not make a decision until all of those have been considered," Swimmer said

Swimmer's action came about after press reports circulated earlier in the week that a move to Spokane, Washington was being considered because of structural and other problems with the present Agency headquarters owned by the local school district in Lapwai. Senator McClure asked Swimmer to reconsider the move out of the state and to examine every option that was available to the Agency that provides services to the Nez Perce, Coeur D'Alene and Kootenai Indian tribes.

Swimmer said that an asbestos problem in the building has been temporarily abated and that any further needed repairs will be discussed with the General Services Administration (GSA), the Federal agency responsible for filling the space needs of all Federal agencies. "Now that we have been assured by the school district that owns the building that we can remain there, we have asked GSA to look further for suitable space in Lapwai," he said.

Swimmer said he would notify Senator McClure as soon as an evaluation is completed which is expected to take about 60 days.